



Re-engineering the DOE Cost and Accrual Process

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Definition Refresher

Accrued cost – un-invoiced, un-recorded, projected dollar value of cost incurred (or goods & services received) on a financial instrument

Actual Cost – dollar value of amount invoiced or provided through a cost report



Tiger Team Objective

Develop a corporate costing and accrual policy that:

- Provides program office customers with better financial information;
- Provides for timely and accurate corporate financial reporting;
- Engages program approving officials in the accrual process



Scope of Work

- Contracts
- Grants (ASAP and Non-ASAP)
- Interagency Agreements
- Other instruments are travel, training, purchase orders, and miscellaneous obligations.



Scope Continued...

- Excludes Object Class Codes (310XX, 311XX & 320XX) for Property, Plant & Equipment.
- Excludes Reimbursable Work funds, but we need to re-visit this.
- Excludes Inter-entity Work Orders (Fund 0911 and 0912).



Policy Development Team

- Program Community Input:
 - Kathleen Foley, NNSA Director of Planning, Programming, Budgeting, & Evaluation.
 - Robin Osik, EM Budget Analyst
 - Rusty Perrin, SC Budget Analyst
 - Kevin Clark, FE Budget Analyst



Policy Development Team

- Field CFO Community Input:
 - Hughie A. Thomas, ORO
 - Bruce Fitch, ORO
 - Roy Settle, ORO
 - Marlys Kinsey, GO
 - Susan Kulsic, NETL
 - Bryan Long, STARS Team



Outreach

- Outreach will be on-going for the life of the current policy as instruments and approving officials change.
- Program Office Working Group
- VIAS E-mail notifications
- Program Customer Liaison



Key Targets

- Implementation of Default Accruals 12/31/05 (complete)
- Final Policy Issuance 03/9/06 (actual)
- Full implementation of VIAS Accrual Tool 4/30/06 (complete)
- Complete cleanup of Financial Assistance Awards and ASAP instruments (6/23/06)
- Confirm accuracy of default accrual formula (6/23/06)



Successes to Date

- Automated Default Accruals have been posted each month for six consecutive months.
- VIAS Accrual Adjustment Tool was made available for April accruals.
- Feedback from programs on un-costed balances has been positive.
- We continue to build on Lessons-Learned.



Lessons Learned To Date

- We need contingency plans for delays associated with the STARS Job Scheduler (April)
- We need strong backup capabilities for Processing VIAS E-Mails and Adjustment files (May)
- We need better lines of communication between EFASC and ORFSC (April and May)
- We need timely Quality Controls



To Do

- Continue to capture Lessons-Learned and to modify procedures accordingly
- Cleanup Financial Assistance Awards that are below the new \$750K award threshold.
- Synchronize excluded Purchase Orders with VIAS e-mail notifications.
- Install better controls over the VIAS Tool Menu availability.
- Develop QA and QC reports for stakeholders including managers and auditors
- Continue the accrual educational campaign at all Field Locations. This includes focus on supporting documentation.
- QUESTIONS or CONCERNS???